

IN THE SENATE OF THE UNITED STATES.

APRIL 16, 1890.—Presented by Mr. VOORHEES, referred to the Committee on Finance, and ordered to be printed.

MEMORIAL OF GEORGE RHEY, OF WESTMORELAND COUNTY, PENNSYLVANIA, PRAYING FOR THE REPEAL OF THE LAW PROVIDING FOR THE COINAGE OF GOLD AND SILVER MONEY, AND SUGGESTING OTHER FINANCIAL LEGISLATION.

To the Senate and House of Representatives of the United States:

Your petitioner, a farmer in Westmoreland County, Pa., asks your careful consideration of the following:

The failure of the governments in the United States to confer the greatest good on the greatest number, the purpose of their organization is made distinctly manifest by the following facts: The producers of our country, consisting of the owners of our farms, mines, and factories, and the millions they employ, numbering at least 50,000,000 human beings, fully nine-tenths of the nation, realize no compensation, with rare exceptions, for their capital, and for their services only a meager living, whilst two classes of our non-producers, the owners of the debts of our governments, corporations and individuals, and the officials of our Federal, State, and municipal governments, less than 2,000,000 men, women and children, realize each year for interest and salaries not less than \$4,000,000,000. This vast sum is contributed by our producers, and is almost the sole cost of the products of our soil, mines, and factories, and enhance their cost so enormously as to enable the producers of other nations to import each year \$800,000,000 in value of their products, and, after paying freight and import duties, which swell their cost to \$1,600,000,000, sell them to our people, in defiance of their unquestioned ability to produce them with less labor than was bestowed on their production in the countries whence they were exported. These amazingly pernicious results are the sequences of existing laws, which keep the supply of money at minimum, and the rate of interest, the salaries of officials, and the outlays of our producers at maximum.

The owners of our farms and the millions they employ, at least two-thirds of the nation, contribute fully nineteen-twentieths of all that is consumed and accumulated by the nation. Our farmers can be saved from ultimate bankruptcy, and their millions of dependents from sweltering poverty, only by reducing the contributions of our producers to money-lenders and officials.

The rate of interest on the debts of our governments, corporations, and individuals is fixed by the relation between the supply of money and the demand for it.

When the supply of money permanently exceeds the demand, the rate of interest on the debts of our governments, corporations, and individuals will recede, and in the same proportion the profits of production will increase.

When a just equality in the profits of money employed in loans and money employed in production is established, it is obvious the cost of the products of our soil, mines, and factories will be so diminished as to enable our producers to exclude from our markets nearly everything we now import, and contend successfully for supremacy in all the markets of the world for everything they can produce in excess of our own wants. If the outlays of our producers for interest on the debts of our governments, corporations, and individuals is the chief item in the cost of their products, and the rate of interest is fixed by the relation between the supply of money and the demand for it, it follows inevitably that the only unerring index of the adequacy or inadequacy of the supply of money is the relation between the profits of money loaned and money employed in our productive industries. With the ability to produce nearly everything essential to support humanity in comfortable existence, with less physical effort than other nations, and with the outlays of our producers to non-producers always at minimum, the only limit to our increase in wealth would be the inability of other nations to give us in exchange for our surplus products that which would be wealth to our people. Being the largest debtor of civilized nations, coerced by existing laws to pay a rate of interest on our debts more than double that paid by other civilized nations, we have escaped universal bankruptcy by the tolerant sufferance of our creditors, due entirely to the general belief in our ability to produce everything needed to keep human beings in existence with less labor than other nations, and a belief in our consequent ability to indulge in that degree of extravagance with safety to them. The aggregate debts of our governments, corporations, and individuals exceed \$50,000,000,000. The amount of gold and silver money in our country is not over \$500,000,000.

The absolute futility of the law requiring the payment of debts with coin money is apparent, in view of the fact we have not more than one dollar coin money for every hundred dollars we owe; nor can we increase the volume of coin money, for the reason that every dollar of coin money made costs one hundred cents, and the money to pay this must be collected from our embarrassed producers, or borrowed.

It is wickedly unjust to wrest from our oppressed producers the \$75,000,000 required to coin each year that amount of silver and gold money; the \$20,000,000 required each year to pay the cost of keeping \$200,000,000 gold money idle in a sub-treasury, under the absurd delusion that thereby specie payments can be always maintained; the \$80,000,000 annually distributed by our national bankers to pay rents, salaries, and dividends; the \$100,000,000 taxes collected each year on whisky, malt liquors, and tobacco.

The producers derive no benefit from their contribution of these sums, aggregating \$275,000,000 each year. The only beneficiaries by these outlays of our producers are the miners of gold and silver, the officials of our federal government, and the owners and officials of our national banks.

The production of those things which keep human beings in comfortable existence alone is wealth. We can increase in wealth only by producing them in excess of our own wants, and selling them to other nations for what will be wealth to us. We can not sell them when they cost our producers more than the producers of other nations.

Interest on the debts of our governments, corporations, and individuals, and the salaries of officials are the chief items in the cost of the products of our soil, mines, and factories. Justice, sound policy, the

prosperity and happiness of the nation, possibly the perpetuity of our governments, demand the immediate reduction in the rate of interest on the debts of our governments, corporations, and individuals, and in the salaries of the officials of our Federal, State, and municipal governments, sufficient to equalize justly the compensations realized by producers and non-producers for their capital and services.

You have the power to do this promptly. It will be accomplished when you repeal the following laws, namely, the law requiring the coinage of gold and silver money; the law requiring the payment of debts in gold and silver money; the law requiring the hoarding of \$200,000,000 gold money; the law establishing our national bank system; the law establishing our internal-revenue system, and the enactment of the following laws, namely, a law reducing the salaries of the officials of our Federal Government at least one-half; a law authorizing and requiring the Secretary of the Treasury to issue paper money, made an absolute legal tender, in payment of the annual accruing expenses of our Federal Government, until the rate of interest on the debts of our governments, corporations, and individuals are reduced to a point which will secure to the owners of our farms, mines, and factories an equal compensation for the capital invested in their operations. When that is accomplished, the increase of money should cease, and our producers be required to furnish the amount needed to pay the expenses of the Government. If my allegations are veritable truths the test of reason will approve my deductions. But few of the 50,000,000 human beings in this country engaged in production would decline to sign this petition if the opportunity could be afforded them to do so.

Asking that amount of careful consideration for the foregoing which will enable you to comprehend the full effect of the changes I have proposed, and hoping they will meet your approval, and will result in those reforms which will make us the most just, prosperous and happy of the nations of the world, is the most earnest desire of my heart.

GEORGE RHEY,

Millwood, Westmoreland County, Pa.

